

**SOCIAL BUSINESS AN ANTIDOTE FOR REAL
POVERTY ALLEVIATION**

BY

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One of the golden rules in the book animal farm was 'all animal are equal but some are more equal than the others'. This is the current scenario in most part of the world where some people live a life of affluence and everything they want is at their disposal while others find it difficult to get daily meal and live a comfortable live as they wish.

Although many factors may be responsible such as level of education, family background, exposure, environment etc. In the light of the above, the fact cannot be denied that people in the society do not have equal social status.

The proponent of Social Business Muhammad Yunus believes that social Business is the new form of capitalism. He was majorly concerned about raising the standard of living for the poor, therefore he helped many of the to get loan from the bank by standing as a guarantor, however when getting loans becomes difficult he started his own bank which he started as form as Microcredit. He became a noble laureate award winner with is idea and propagation of microcredit. Social business for Yunus is a new dimensions of capitalism a situation where by financial power is also being given to the lower class. They are also being presented an opportunity to get what they need to make their live worth living.

In my opinion, the word Social has to do with the society, while Business on the other hand deals with any profitable venture. Adding the two words together in my own language has to deal with doing or creating a profitable venture for the members of the society. My understanding of social business is helping the poor and needy to be economically stable and be financially independent. It strives either to bridge or narrow the gap between the needed and rich.

For me Social business is all about service to Humanity. Service to Humanity itself has to do with sacrificing once self for the sake of others especially the poor and less privilege and be willing to see to their welfare.

There a lot of poor masses in the African continent at large as a lot of people are living below the normal standard of living. The issue is that many people most especially the woman engage in petty trade to help their

family or support the husband who may be jobless or into a menial job or the order.

They try to survive selling farm produce or house items and in most cases they don't even have money to buy these products or goods thereby resulting in picking stock to sell on credit and paying back.

The commercial banks are not helping out in terms of granting loans to these traders as a result of the complexity involved in their system of business as many of them are illiterates. The commercial banks are mostly concerned with big investors and major business men, those who are big manufacturers and captains of industry who need huge capital in order to begin or boost their business. For instance, the likes of business moguls in Nigeria, Femi Otedola, Aliko Dangote, Oba Otudeko etc have a mutual relationship with bank MDs and can easily hold a meeting with them to get some form of financial security or the other for their business. Such a loan would be allowed to go through normal checks and because of the reputation of the owner of the company, knowing fully well that these business moguls have the fixed assets or back up to use as guarantor to pay back whatever loan they have collected.

Women are in the heart of petty trading in Africa, some of these women are breadwinners of their home because they have taken the role of the men in the home in respect of provision for the family.

The commercial banks which should be of support to their businesses believe that micro business and petty trade has no business of measurement of their profit since most of the time they have no business plan or plan for expansion beyond making daily profit which in most cases is used to vend for their families.

Other reasons why the lower class who won't be given loans from commercial banks are as follows:

1. Illiteracy: The level of education is looked into. Many of these people are not educated and they may not understand basic business principles.
2. Collateral security: They have nothing to give as security in case they cannot pay back

3. Complexity in their trade and business: They are involved in the sales of several things at a time. Some of them are engaged in other lines of trade or they sell more than one item
4. No business plan: They only do basic buying and selling with no concrete plan for expansion and growth.

However, the emergence of micro finance or micro credit has helped the poor to have access to finance to boost their business. These micro finance banks as seen in Nigeria are not similar to Muhammad Yunus Grameen Bank which is strictly to alleviate poverty to the poor. According to Professor Yunus, the fact that a bank is engaged in Microcredit does not make it a social business.

The poor who are mostly market women can access loans with a suitable repayment plan that can help boost their business. A little interest is charged by the microfinance firms to run their internal daily expenses and also to pay their staff that goes round on a daily basis to check on the business routine of these women and also help them to do their daily, weekly and monthly repayments. Most of these microfinance are in strategic locations very close to the market areas where these women are located. This is also to enhance proximity and repayment either for the woman to come into the micro bank to pay or for their staff to reach them on time. The above negate the idea of social business because social business does not support the charges of interest on borrowed money.

The microcredit by Yunus is rooted in trying to understand the business pattern of the low income earners or poor and has been able to help devise a means to help them get loans for their business with a reasonable form of collateral security or none at all.

The principles of social business are as follows;

1. No Divide, investors only get back what they have invested. Investors are expected to show love for fellow men. They are only getting their invested amount back and no interest.
2. Willingness to do it with joy by being willing to drop their capital to help others to grow

3. The workforce only get market wage with better Working condition
4. It is gender sensitive(favours women more) and environmental consciousness
5. When investment amount is paid back, company profit stays with the company for expansion and improvement
6. It brings about financial and economic stability
7. The real objective of social business is to elevate poverty and other problems such as education, health, access to technology, which threaten the people and not profit maximization.

It is important to note that one can be involved in social business by not necessarily starting a new one in case there is no financial power to do so. However, one may be involved by simply financing an existing social business or leveraging on it by being a partner of an already functional social business.

The whole essence is to join in eradicating poverty in our economy and make our world a better place for all to live.